(b) The Second Administrative Reforms Commission in its Ninth Report titled "Social Capital A Shared Destiny" has recommended that the Foreign Contribution (Regulation) Bill, 2006 needs to be amended to include *inter-alia* the following suggestions:-

(i) There should be a fine balance between the purpose of the legislation on one side and smooth functioning of the voluntary sector on the other. The objectives of such a regulatory legislation should be properly enunciated to avoid subjective interpretation of law and its possible misuse.

(ii) There should be a time limit for procedures falling under Section 11 (seeking registration or prior permission for receiving foreign contribution).

(iii) Transparent rules/guidelines should be prescribed for inter-agency consultation particularly in respect of (a) the minimum amount of donation which would require inter-agency consultation, (b) the level of the Authority which would authorise it, and (c) setting up time limits for such procedures.

(iv) To facilitate (a) speedy disposal of registration/prior permission petitions received from organisations, (b) effective monitoring of their activities, and (c) proper scrutiny of returns filed by them, some of the functions under the Foreign Contribution (Regulation) Act should be decentralised and delegated to State Governments/ District Administration.

Organisation receiving an annual foreign contribution equivalent to less than Rs. 10.00 lakh in a year (the figure to be reviewed from time to time) should be exempted from registration and other reporting requirements of the law. They should be asked, instead, to file an annual return of the foreign contribution received by them and its utilisation at the end of the year. The law may provide that they may be liable to be investigated, if there is a reasonable suspicion of suppression/ misrepresentation of facts, and penal provisions of the law will be used against them in case violation is established.

(c) Government should act as a facilitator and create an environment which encourages business and industry to take up projects and activities which are likely to have an impact on the quality of life of the local community.

(d) The 2nd Administrative Reforms Commission in its Ninth Report titled "Social Capital – A Shared Destiny" spells out the changes required in the legal framework, as well as in the administrative structures and Government policies to bring about independence, integrity, transparency, credibility and dynamism that make the base of social capital. The Report/ recommendations are presently under consideration of the Government.

Issues of vanishing companies

†151. SHRI JAI PARKASH AGGARWAL: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether a Central Coordination and Monitoring Committee has been constituted to investigate the issues relating to vanishing companies and their promoters and to monitor the progress of action taken against them;

(b) if so, the number of such companies and their promoters against whom the action has been taken so far; and

†Original notice of the question was received in Hindi

(c) the amount recovered from them till date?

THE MINISTER OF CORPORATE AFFAIRS (SHRI PREM CHAND GUPTA): (a) A Coordination and Monitoring Committee (CMC), Co-chaired by Secretary, Ministry of Corporate Affairs and Chairman, SEBI has been set up to look into issues relating to vanishing companies and their promoters and to monitor the progress of action taken against them.

(b) Out of the companies that came out with the IPOs during 1992-2001, a total of 238 companies were identified as vanishing companies. With the continuous efforts of the Ministry/CMC, 117 companies have been traced back, resulting in the number of vanishing companies being reduced to 121. Further, there was no company identified as a vanished company from amongst those which came out with IPOs during the period *i.e.* 2001-2005. The Government has taken following action against the vanishing companies and their Promoters/Directors:

(i) Prosecutions have been filed in 110 cases for violations of various provisions of the Companies Act, 1956.

(ii) FIRs have been filed in 112 cases under the Indian Penal Code (IPC).

(iii) SEBI has debarred 100 companies and 378 directors *u/s* 11B of the SEBI Act from entering capital market for a period of five years.

(c) Besides taking action as stated under (b) above, Petitions have also been filed with the Company Law Board (CLB) under Sections 397/398/402/408 read with Section 406 of the Companies Act, 1956 in respect of two selected Vanishing Companies to disgorge the properties/monies from their Promoters/Directors. The Hon'ble CLB has dismissed the Petition in one case namely M/s. Nuline Glassware (India) Ltd. (presently known as M/s. Pur Opale Creations Ltd.) against which the Ministry has filed an appeal before the Hon'ble Gujarat High Court and the same is pending. In the case of M/s. AVI Industries Ltd, the Hon'ble CLB on an application had appointed Local Commissioners to trace out the properties of the company and its Directors. The company being under liquidation, the Hon'ble Bombay High Court has directed the Official Liquidator, Mumbai to take possession of the properties of the company and its directors and also suspected properties purchased out of funds of the company. In view of the above development, the Hon'ble CLB has adjourned the case *sine die.*

Action plan to bail out Satyam Computer Services

152. SHRI KALRAJ MISHRA: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether Government has drawn out a plan of action to help out Satyam Computer Services out of the financial mess it finds itself;

(b) the details and value of its assets and resources and Government plans to help out the company; and

(c) the number and details of the company's employees?

THE MINISTER OF CORPORATE AFFAIRS (SHRI PREM CHAND GUPTA): (a) With the approval of Company Law Board, given *vide* its order dated 9.1.2009 on a petition moved by the